

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF OXY USA INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NOS. 20763 & 20764

OXY'S CONSOLIDATED PRE-HEARING STATEMENT

OXY USA Inc. ("OXY") (OGRID No. 16696) submits the following Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

OXY USA Inc.

ATTORNEY

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APPLICANT'S STATEMENT OF CASE

In Case No. 20763, OXY seeks an order pooling all uncommitted interests in the Bone Spring formation (Pierce Crossing; Bone Spring (50371)) underlying a standard 640-acre, more or less, horizontal well spacing unit comprised of the E/2 of Sections 8 and 17, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. OXY seeks to dedicate this spacing unit to the proposed initial **Oxbow CC 17-8 Fed Com No. 35H Well** (API No. 30-015-45087), which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 17 to a bottom-hole location in the NE/4 NE/4 (Unit A) of Section 8. The completed interval for the

Oxbow CC 17-8 Fed Com No. 35H Well will remain within 330 feet of the W/2 E/2 of Sections 8 and 17 to allow inclusion of these proximity tracts in a standard 640-acre horizontal well spacing comprised of E/2 of Sections 8 and 17.

In Case No. 20764, OXY seeks an order pooling all uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) Pool (98220)) underlying a standard 640-acre, more or less, horizontal well spacing unit comprised of the E/2 of Sections 8 and 17, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. OXY seeks to dedicate this spacing unit to the following proposed initial wells:

- The **Oxbow CC 17-8 Fed Com #34H Well** (API No. 30-015-45086), which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 17 to a bottom-hole location in the NW/4 NE/4 (Unit B) of Section 8.
- The **Oxbow CC 17-8 Fed Com #36H Well** (API No. 30-15-45088), which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 17 to a bottom-hole location in the NE/4 NE/4 (Unit A) of Section 8.
- The **Oxbow CC 17-8 Fed Com #38H Well** (API No. pending), which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 17 to a bottom-hole location in the NW/4 NE/4 (Unit B) of Section 8.
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APPLICANT'S PROPOSED EVIDENCE

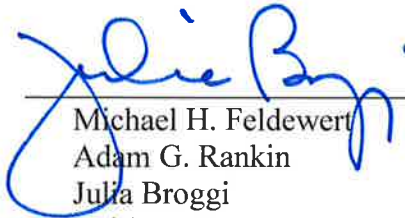
| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|---------------------------------------|-----------------------|-----------------|
| Jeremy D. Murphrey, Landman | By Affidavit | Approx. 6 |
| Tony J. Troutman, Geologist | By Affidavit | Approx. 4 |

PROCEDURAL MATTERS

OXY requests that Case Nos. 20763 and 20764 be consolidated for hearing purposes. If uncontested, OXY will present these cases by affidavits.

Respectfully submitted,

HOLLAND & HART LLP



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